[Translation]

Clearance of Licence Proposals

4289. SHRIMATI KAMAL RANI : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Union Government have cleared several licence proposals received from Uttar Pradesh;

(b) if so, the details thereof;

(c) whether the priority is likely to be given to set up these industries in the rural areas;

(d) if so, the details thereof; and

(e) the amount of capital investment likely to be made in these industries?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). During the period from January, 1994 to November, 1996, a total number of 164 Letters of Intent have been granted under the Industries (Development and Regulation) Act, 1951 for setting up industries in various parts of Uttar Pradesh. The details are published in the Monthly News Letter of the Indian Investment Centre, copies of which are regularly sent to Parliament Library.

(c) and (d). After the liberalisation of Industrial Policy, it is primarily the responsibility of the State Government to create congenial atmosphere and provide infrastructural facilities for industrial development of the State/District.

(e) Does not arise.

Recovery of Bad Debts in U.P.

4290. SHRI D.P. YADAV : Will the Minister of FINANCE be pleased to state :

(a) the details of the policy and programmes formulated for recovery of the bad debts by the banks; and

(b) the extent to which it has been proved successful in recovering the bad debt in the country particularly in Uttar Pradesh?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Reserve Bank of India (RBI) has advised banks to have documents of investment policy, loan policy, loan recovery policy, etc., prepared and vetted by their Boards of Directors. Accordingly each bank has adopted a loan recovery policy which prescribes the manner of recovery, targetted level of reduction in NPAS norms for permitted sacrifice/waiver, etc. The policy formulations include reduction of NPAs through compromise/write-off proposals, setting up of recovery cells, establishment of Debt Recovery Tribunals and compilation and circulation of list of defaulters/suit-filed accounts.

(b) RBI's data-reporting system does not generate state-wise position of the recovery of NPAs. However, the percentage of Non-Performing Assets to total advances of the Public Sector Banks has come down from 24.78% during 1993-94 to 19.45% during 1994-95 and further to 17.12% during 1995-96.

[English]

Patent of Medicinal and Aromatic Plant

4291. SHRI T. GOPAL KRISHNA :
DR. M. JAGANNATH :

Will the Minister of INDUSTRY be pleased to state

(a) whether India has patented the plants before allowing the genetic resources to go out of India;

(b) if not, the reasons therefor;

(c) whether India has allowed a US based company to import medicinal and aromatic plants from India for tissue-culture;

(d) if so, the reasons therefor; and

(e) the time by which these plants are likely to be patented?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a), (b) and (e). As per the provisions of the Patents Act, 1970, plants are not potentable in India.

(c) and (d). Information is being collected and will be laid on the Table of the House.

Finance Minister's Visit to Japan

4292. SHRI V.M. SUDHEERAN : Will the Minister of FINANCE be pleased to state :

(a) the outcome of the recent visit of Finance Minister to Japan;

(b) whether Union Government signed any agreement with Government of Japan or any other agency; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Finance Minister recently visited Japan to address two investment seminers on India. He also met senior Japanese Ministers and the Chairman of a number of Japanese companies.

(b) and (c). No agreement was signed during the visit.

[Translation]

Capital Formation Question

4293. SHRI SHIVRAJ SINGH :
SHRIMATI SHEELA GAUTAM :

Will the Minister of FINANCE be pleased to state :

(a) whether the steps taken for boosting capital formation have proved successful;

(b) if so, the details of achievements thereof;

(c) if not, the reasons therefor; and

(d) the steps proposed to be taken by the Government to increase capital formation in future?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). The various economic reforms measures such as trade liberalisation, deregulation of industry, fiscal and financial sector reforms over the last few years has led to significant improvement in the domestic capital formation. As per the latest information available with the Central Statistical Organisation the aggregate gross domestic capital formation at 1980-81 prices increased by 28.5 per cent from Rs. 54361 crore in 1993-94 (quick estimate) to Rs. 69848 crore in 1994-95 (provisional estimate). Besides, the Central Government Budget presented to the Parliament few months ago contains various measures/policy changes which are likely to have a positive impact on capital formation.

[English]

Smuggling at Gujarat Border

4294. SHRI MADHAVRAO SCINDIA :
DR. M. JAGANNATH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the large-scale smuggling across Gujarat border;

(b) If so, the details thereof during each of the last three years; and

(c) the steps taken or being taken to effectively prevent smuggling across Gujarat border?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). Value of contraband goods seized during last three years in the state of Gujarat are as follows :

Year	Value (Rs. in Crores)
1994-95	19.45
1995-96	5.27
1996-97 (upto 30.11.96)	11.38

Seizure statistics and intelligence reports do not indicate large scale smuggling on the international border in the State. Field formations are alert to detect and prevent smuggling in the State of Gujarat.

Overdraft by Government of Kerala

4295. SHRI KODIKUNNIL SURESH : Will the Minister of FINANCE be pleased to state :

(a) whether the State Government of Kerala has taken any over draft from Central Government; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. There is no system of overdraft for States from Government of India. The States excepting those of Jammu and Kashmir and Sikkim have an agreement with Reserve Bank of India which allows them to draw Ways and Means Advances from their accounts with the Central Bank upto the limit prescribed for each. The States also enjoy the facility of overdraft beyond the prescribed Ways and Means limit upto the maximum of 10 consecutive working days on exceeding which payment of State Government cheques are supended until balance in the State's accounts is restored.

(b) Does not arise.

Permission for Loan from Foreign Agencies

4296. DR. LAXMINARAYAN PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether some State Governments have requested the Union Government to allow the States to procure loans from foreign agencies directly;

(b) if so, the details thereof;

(c) whether the Union Government are aware of its likely adverse effects on external debt, fiscal deficit and budgetary deficit management; and

(d) if so, the reaction of the Union Government on the request of the State Governments?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). During the last and current financial years, Government of India have received requests from the following State Governments to avail of external commercial borrowing :

1. Kerala
2. Andhra Pradesh
3. Madhya Pradesh
4. Assam
5. Karnataka
6. Maharashtra
7. Punjab
8. Haryana
9. Meghalaya
10. Mizoram

(c) and (d). These proposals were not accepted, because as per the Constitution of India, the State Governments can borrow within the territory of India only. The States cannot raise loans from abroad directly.